AGENDA

Stadium Authority Meeting 99-500 Salt Lake Boulevard Aiea, Hawaii 96701 November 29, 2007 10:00 a.m.

- I. Call to Order
- II. Approval of Minutes and Executive Session Minutes of October 19, 2007
- III. Monthly Report
 - A. Chairman's Report
 - B. Stadium Manager's Monthly Report
 - C. Approval of Events
 - A. Punish UM Motorsports, Inc Lower Halawa Parking Lot Request to reschedule November 17-18, 2007 to January 26-27, 2008
 - D. UHAD Monthly Report
 - E. Centerplate/Swap Meet Monthly Report
 - F. Hawaii Malls Inc. Monthly Report
- IV. Unfinished Business- Discussion and Appropriate Action
 - A. Aloha Stadium Advertising Contract- Report, discussion and action on the sub-committee's recommendation for a new RFP for the advertising contract for Aloha Stadium
 - B. Stadium Repair Work-Report on the progress of the stadium repair project.
- V. New Business- Discussion and Appropriate Action
 - A. Aloha Stadium Swap Meet-Report, discussion and action on the extension of Centerplate's management of the Aloha Stadium Swap Meet.
 - B. Stadium Manager- Discussion of the responsibilities of the stadium manager and oversight by the board

- C. Application for Events- Discussion and action to add "Tax Clearance" to the form "Application For Use Of Aloha Stadium Facilities
- D. Discussion on the Uses of the Stadium and discussion on the job description for the "Marketing Position" at the stadium.
- VI. Next Meeting December 20, 2007
- VII. Adjournment



An Agency of the State of Hawaii

Stadium Authority Meeting 99-500 Salt Lake Boulevard Honolulu, Hawaii 96818 November 29, 2007

Members Absent
Marvin Fong

Members Present

Kevin Chong Kee, Chairman

Kay Ahina

Kathryn Inouye

Alexander Kane, Jr.

Marcia Klompus (via conference call)

Kenneth Marcus

Nelson Oyadomari

Alan Tamayose

Staff

Scott Chan

Lois Manin

Liane Nakagawa Shawn Nagata

Deborah Ishihara

Engel Garcia

Stephen Lee

Vinny Browne

Andrew Chang

Others

John Dellera, Deputy Attorney General

Russ Saito, DAGS, Comptroller

Herman Frazier, UH Athletics

Carl Clapp, UH Athletics

Davy Maruyama, Centerplate

Farah Cabrera, Centerplate

Sam Shenkus, Centerplate's Marketing Consultant

Representative Lynn Finnegan

Daniel Perreira

Neuman Shim, President, Swap Meet Assn.

Gouveia, Edmund, Treasurer.Swap Meet Assn.

I. CALL TO ORDER

A quorum being present, Chairman Kevin Chong Kee called the meeting to order at 10:05 a.m.

II. <u>APPROVAL OF MINUTES AND EXECUTIVE SESSION MINUTES -</u> OCTOBER 19, 2007 MEETING

Deputy Attorney General John Dellera stated the Executive Summary dated October 11, 2007 should be attached to the Executive Session minutes. Also, Chairman Kevin Chong Kee stated Herman Frazier and Lois Manin should be included as attendees of the Executive Session.

ON A MOTION BY MEMBER KAY AHINA TO ACCEPT THE MINUTES OF THE OCTOBER 19, 2007 MEETING AS CORRECTED, AND SECONDED BY MEMBER NELSON OYADOMARI, THE BOARD UNANIMOUSLY APPROVED THE MOTION.

III. MONTHLY REPORT

A. Chairman's Report

Chairman Kevin Chong Kee stated as a result of a number of incidents that took place at the Fresno State game, Manager Scott Chan and staff had discussions with the University of Hawaii (UH), Boise State, Honolulu Police Department (HPD), Swap Meet and Wackenhut in an effort to prevent a recurrence at the UH/Washington game on December 1, 2007. The Board was pleased with the staff's actions on the situation and said they received very good feedback about the game.

Daniel Perreira suggested that announcements be made to prevent fans from entering the field at the end of the games. Manager Chan assured Mr. Perreira all efforts are being made to provide a safe venue for the general public, through the PA system, as well as through members of the law enforcement agencies that are present at the games.

B. Stadium Manager's Monthly Report

Fines for Parking & Traffic Infractions

Mr. Chan informed the Board that Mr. Dellera provided a copy of the 2005 Statewide Fine and Infraction Schedule, which will allow the Stadium to enforce the rules in the parking lot by charging violators \$40 vs. the previous amount of \$5.00.

Major Events

We are pleased to announce that <u>Soccer United Marketing</u> has signed a contract to hold the Pan Pacific Soccer Tournament at Aloha Stadium on February 20 and 23, 2008. It is an international event, which will include athletes from Japan, Australia and the U.S., also Hawaii-born Brian Ching. Anticipated attendance is approximately 16,000 – 25,000.

The <u>Surfest</u> concert, previously scheduled for December 29-30, 2007, has been postponed and may be rescheduled to July 12-13, 2008, but to date no formal application has been submitted.

Use of the Stadium

Mr. Dellera will be reporting on this matter under New Business. We have not received a response from the City & County on our inquiry as to whether 56.89 acres have been dedicated for public recreation since 1993; we were informed that they are waiting for a response from their Corporate Counsel.

Portable Restrooms

Manager Chan stated they are making every effort to meet the needs of everyone and plan to relocate some of the portables, possibly by the spirals, but away from the food areas.

Mr. Neuman Shim reported there are not enough portables at the football games; he explained the day after a UH game, the vendors are experiencing a bad urine odor in the parking lots. Manager Chan said he will address that issue with UH. He said presently there are 56 units in the lot and perhaps some of the units need to be placed in a better location to service the fans.

C. Approval of Events

Punish UM Motorsports, Inc.
 Lower Halawa Parking Lot
 Request to reschedule November 17-28, 2007 to
 January 26-27, 2008

Member Kenneth Marcus and Member Marcia Klompus clarified that the licensee is not adding more dates, but merely asking for a change in dates previously approved by the Board. Deputy Attorney General John Dellera agreed that it would be difficult to cancel the event without good cause. Events Manager Stephen Lee said they are rescheduling the dates because there was a conflict with a major car show scheduled in Las Vegas in November.

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Member Klompus also indicated that the due to the California fires, some of the cars were not able to be transported.

Member Kathryn Inouye expressed her concerns of the Stadium Authority's commitment to the neighborhood boards that drifting events would not continue beyond 2007. She also mentioned that the Board should not be responsible for situations resulting by an "act of God."

Representative Finnegan said her comments reflect the community's response to her email which resulted in a large response "against" drifting in a residential area. She requested that if approval is granted for the change in dates, that the Board communicates to the neighborhood community at its January meeting and also by sending out emails and a press release.

Mr. Daniel Perreira expressed his opinion that the Board must follow through on their commitment to the Licensee and allow them to reschedule.

It was noted by Manager Chan that the Licensee is not certain of the rescheduled date and that it could change.

The consensus by the Board is to approve a rescheduled date and that it should not go beyond the end of February, 2008.

A MOTION WAS MADE BY MEMBER MARCUS AND SECONDED BY MEMBER ALAN TAMAYOSE TO RESCHEDULE THE DRIFTING EVENT BY THE END OF FEBRUARY, 2008 AND THE STADIUM MANAGER REQUEST THAT THE DATE BE SUBMITTED TO THE BOARD AT ITS NEXT MEETING ON DECEMBER 20, 2007. THE MOTION WAS UNANIMOUSLY CARRIED.

Mr. Lee (a resident from Foster Village) expressed his opinion that the Stadium should not be responsible for a situation caused by an "act of God." He also said the Stadium did not fall back on its contract with the Licensee and therefore should not be required to reschedule the date.

D. <u>UHAD Monthly Report</u>

Athletic Director Herman Frazier commended Manager

Chan, Deputy Manager Manin and staff for a job well done during the UH vs. Boise game. After having to deal with all the issues that took place at the Fresno State game, he said they staged a wonderful football game last week. Mr. Frazier also expressed appreciation for everyone's effort in putting together a new parking plan which contributed to a successful season.

E. Centerplate/Swap Meet Monthly Report (report distributed)

Farah Cabrera thanked Member Marcus for doing a great job in representing the Board during the judging of the Swap Meet Halloween Costume contest.

The Swap Meet held a successful car show over the weekend, which included classic, remodeled and customized vehicles. On Saturday they had a 15% increase in attendance over last year.

In addition to its regular schedule, the Swap Meet will be open on December 20, 21 and 24, with free admission.

Concession

To help promote the alternate parking locations, Centerplate has been sponsoring a tailgate party in the Stadium parking lot, where football fans who parked at the alternate parking sites were allowed free admission. Friends and family of the visiting teams were also invited. Food and beverages are available, along with entertainment and novelty merchandise, with wide-screen TVs broadcasting the sporting events. The program has gained popularity with each game.

Swap Meeting

Davy Murayama, Swap Meet Manager covered the following topics in his presentation to the Board:

- Swap Meet Report Overview
- Monthly Swap Meet Attendance (Jan. 1995 June 2006)
- Monthly Unemployment vs. Swap Meet Attendance
- Annual Attendance vs. Annual Visitor Arrivals
- Inherent Advantages of Swap Meet for Buyers & Sellers

- Mainland Swap Meet Survey & Observations
- Possible Reasons for Decline in Attendance

In conclusion he stated:

- Aloha Stadium Swap Meet is charging reasonable to low admission fees as compared to the mainland swap meets.
 - Possible features to add: Kid's Area; Produce sales area; permanent stall features; multiple food sales areas.
 - Mainland swap meets have varying admission fees based on the day of the week.
 - Decrease in attendance on the mainland was based on the economy.

They are looking at possible reasons why attendance is declining:

- Advertising has increased this should not be the problem.
- Management big change and just started changing the rules
- Looking at other ways to find out what is going wrong and ways to increase the attendance.

Some future plans at the Swap Meet:

• Instead of a circular configuration

Set up right angle, columns and rows (encourage customers to shop and compare prices)

- Additional hours during Christmas
- Experiment by having the Swap Meet at the Lower Halawa Parking Lot (away from a circular set-up)

Member Inouye commended Mr. Murayama for his work. She encouraged him to do more research and perhaps contact the

Redding Co., the new owners of Consolidated Theaters for more ideas on the configuration of the Swap Meet. She also mentioned produce, food vendors, craft fairs, etc. would help to bring in more shoppers.

Mr. Shim noted that the sales volume dropped due to the increase in admission fees. He said the local people with fixed income and several children cannot afford to pay the high admission fee. He mentioned the idea of Roberts conducting tours to the stadium will be good for business. Mr. Murayama said they are having discussions with Roberts as well as other tour companies.

Meeting with Mr. Ashley Harding (of Bubble Shack Company

We did meet with Mr. Ashley Harding of the Bubble Shack Company (one of the regular vendors at the Swap Meet) on Tuesday, Oct. 30 at 10:00 a.m. in Roger Reeves' office.

He had some strong words in the email he sent to the Governor's office, and said his intentions were to get someone's attention and was apologetic for his words and accusations. He noted his feelings have now changed, some time had passed, and he had calmed down a little bit. He understands why the decisions were made about the grandfathering and about the five stall rule; although he does not fully agree with them, he has come to accept them. His focus was to find ways to make the swap meet prosper. He mentioned the marketing angle and how he feels the swap meet can be promoted better. He also feels the advertising budget should be larger and that we should be targeting the Japanese publications, among others.

Mr. Harding stated concerns regarding the current marketing personnel and offered suggestions on obtaining help from outside sources to assist in this area. He expressed he would like a good working relationship with all concerned to make the swap meet prosper.

Both Mr. Chan and Mr. Reeves thanked Mr. Harding for his time and stated that a lot of his suggestions are well taken and encouraged him to continue the dialogue, and would be soliciting his assistance in the future.

Mr. Chan stated he is not in the business of any illegal activity and that his main objective is to provide guidance to Centerplate who is contracted to manage the swap meet. Also, he would like to see the swap meet prosper as well and his hope is for everyone to benefit.

It was apparent at the conclusion of the meeting that Mr. Harding was satisfied with what took place and would like to move forward to make the swap meet a better place for everyone.

Manager Chan stated management's goals are the same as Mr. Harding's and we will continue to work with Mr. Reeves and the vendors on the suggestions and ideas mentioned.

E. Hawaii Malls, Inc. Monthly Report

Chairman advised the Board that it was necessary to add to the agenda, for discussion and action, Hawaii Malls' October 22, 2007 letter, recommending that both parties rescind the 2-year extension of Hawaii Malls' contract.

A MOTION WAS MADE BY MEMBER MARCUS AND SECONDED BY MEMBER KATHRYN INOUYE TO ACCEPT THE CHAIRMAN 'S ADVICE AND ADD THE ITEM TO THE AGENDA. THE MOTION CARRIED UNANIMOUSLY.

A MOTION WAS MADE BY MEMBER MARCUS AND SECONDED BY MEMBER INOUYE TO ACCEPT HAWAII MALLS' OFFER TO RESCIND THE 2-YEAR EXTENSION IN LIEU OF TERMINATION. THE MOTION CARRIED UNANIMOUSLY.

IV. UNFINISHED BUSINESS -- DISCUSSION AND APPROPRIATE ACTION

A. Aloha Stadium Advertising Contract – Report, discussion and action on the sub-committee's recommendation for a new RFP for the advertising contract for Aloha Stadium.

Member Marcus stated the committee has met a few times and anticipates making a formal recommendation at the next meeting.

B. Stadium Repair Work – Report on the progress of the stadium repair project.

Comptroller Russ Saito reported on how a portion of the approved \$13.5 million is being spent:

\$1.0 million - design the roof replacement; contract has been awarded.

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\$900,000 – structural certification; contract has been signed.

\$65,000 - design of the bridge stiffening; contract was signed for the design. A total of \$1.0 million has been set aside to complete the project.

\$150,000 has been set aside for the transformers (for emergency purposes);

\$100,000 -for the control system on the field.

Comptroller is hopeful that the remaining funds will be committed before the end of the next legislative session.

Manager Chan expressed his appreciation to Comptroller Saito for carrying on the responsibilities of obtaining funding for the stadium's C.I.P. projects in the absence of a full time engineer.

Comptroller noted that a TV reporter contacted him regarding the safety of the bridges with a sell-out crowd. He was able to confirm with a consultant that the bridges are safe.

C. Meeting with Congressman Neal Abercrombie

Member Inouye summarized her meeting with Congressman Abercrombie. He is willing to support us at the Legislature for the money that we need for ongoing maintenance, Discussed if he would support a redevelopment plan for our existing site. He suggested that we provide him with a master plan. His focus is that this is a State issue and not a national one; but he would get involved in it if it ties in with transit.

V. NEW BUSNESS – Discussion and Appropriate Action

A. Aloha Stadium Swap Meet – Report, discussion and action on the extension of Centerplate's management of the Aloha Stadium Swap Meet.

Chairman Chong Kee informed the Board that Centerplate's contract for the management of the Swap Meet, effective September 2004 through August, 2007, is a 3-year contract, with

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two extensions. He also stated that the first extension is presently in effect.

Manager Chan advised the Board that a fact sheet of the contract is included in their binders for their review. Board members requested that Manager Chan, at the next meeting, provide them with his recommendations concerning the renewal or non-renewal of the second extension. Board members requested a comparison against the RFP's goals and objectives. In addition, Member Inouye said they will also need to look at the financial reports so they can review what the contribution is to the bottom line.

Comptroller Saito informed the Board that if they have concerns of Centerplate's performance and want changes made to the contract, it can only be done by writing up a new RFP, otherwise the terms remain the same under an extension.

In addition to Manager Chan's recommendations the Board selected an investigative committee to review the contract and reports its findings to the Board:

Alan Tamayose, Chairman Nelson Oyadomari Kay Ahina

B. Stadium Manager – Discussion of the responsibilities of the stadium manager and oversight by the Board.

Chairman Chong Kee asked the Board if they would like to make any changes to the Manager's Position Description, perhaps in the approval process of contracts or on other matters.

Member Marcus suggested that Manager Chan bring his recommendations to the Board for approval of all major contract extensions, specific to the Stadium. Member Inouye said not to pass through the contracts that go through DAGS.

Member Ahina asked how does the Board evaluate Manager Chan.

Comptroller Saito explained to the Board what the general procedures are for completing a performance evaluation for the Stadium Manager.

Member Marcus suggested that Manager Chan and Deputy Lois Manin, at the April 2008 meeting, turn in a list of their goals and objectives to the Board. Member Inouye suggested it be done in January, 2008. Manager Chan said if they are able to, they will get it done by January.

Russ suggested Scott and Lois come up with a proposed set of objectives (matrix) for the Board.

C. Application for Events – Discussion and action to add "Tax Clearance" to the form "Application for Use of Aloha Stadium Facilities"

Chairman Chong Kee deferred to next meeting.

D. Discussion on the Uses of the Stadium and discussion on the job description for the "Marketing Position" at the stadium.

Member Marcus recommended taking this off the agenda and stated the Board received Mr. Dellera's views, reviewed various materials and now have a map of the Stadium. The Board can continue to review and approve applications on a case-by case basis.

It was decided no discussion was necessary on the Marketing Position until that position is filled.

VIII. NEXT MEETING

December 20, 2007

IX. ADJOURNMENT

1:00 p.m..

KÉVÍN CHONG KEE

Chairman

Recorded by:

Diana Ho

Approval Date:

December 20, 2007